

# State of Indiana

# Senate

Senator Mike Delph  
200 West Washington Street  
Indianapolis, Indiana 46204  
Senate (317) 232-9814  
S29@in.gov

Committees:  
Homeland Security, Transportation & Veterans Affairs  
Chair, Transportation Subcommittee  
Insurance & Financial Institutions  
Financial Institutions Subcommittee  
Local Government & Elections  
Local Government Subcommittee  
Pensions & Labor

January 2, 2008

The Honorable Mitch Daniels  
Governor of Indiana  
State House

Dear Governor Daniels,

I want to congratulate you on your efforts to reduce the size and cost of government and tackling the big challenge of bringing 19<sup>th</sup> century Hoosier government into the 21<sup>st</sup> century. My constituents want value and accountability when their tax dollars are spent. After participating in several meetings of the Senate Committee on Local Government and Elections regarding the assessing system, I am convinced more than ever that we need to eliminate property taxes. It's not that assessors at all levels of government aren't dedicated public servants, but that they serve an outdated system with too much room for human error.

The service economy makes up Indiana's fastest growing segment which raises equity issues relative to other segments of our economy in the area of public finance. The ideal tax system is one with a broad base and a low rate, so that all pay their fair share and no one feels like they are being gouged by government relative to his or her neighbor. In short, government shouldn't pick winners and losers to fund it, but rather, promote a fairer public finance system with a broad base and low rate. This would set Indiana apart, in a positive, way from its neighbors; not to mention benefit our citizens.

It is my hope that you will direct both your budget director and your other fiscal experts to run the numbers for a complete shift to the "fair tax" or sales tax with a broader base. Incentives or exemptions could be instituted for basic necessities. A fair tax gives taxpayers discretion and choice. It's easier and cheaper to administer and it's easier for all to understand. The more you consume, the more you pay.

The Honorable Mitch Daniels

January 2, 2008

Unfortunately, we have spent a great deal of time trying to improve a broken system, the property tax system. Rather than hold onto this relic of Indiana yesteryear, be bold like your Major Moves initiative and your Blue Ribbon Commission. We cannot move Indiana's economy or government forward while tied to this outdated, burdensome, costly, unfair, and un-American property tax system.

You are absolutely right, home ownership is sacred. Let's enshrine that value by eliminating the property tax completely. Combined with some of your other Blue Ribbon Commission findings, it could make all the difference. I remain committed to helping reduce the cost and burden of government for my constituents and our state.

Very respectfully,

A handwritten signature in black ink, appearing to read "Mike", written in a cursive style.

Mike Delph  
State Senator, SD 29

MD:cm